

### **325.220 Definitions for chapter.**

As used in this chapter, unless the context otherwise requires:

- (1) "Attest service" means providing the following services:
  - (a) Any audit or other engagement subject to and to be performed in accordance with the current versions of the American Institute of Certified Public Accountants (AICPA) Statements on Auditing Standards (SAS), and Government Auditing Standards issued by the United States Government Accountability Office;
  - (b) Any review of a financial statement subject to and to be performed in accordance with the current versions of the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Review Services (SSARS);
  - (c) Any examination of prospective financial information or other professional services to be performed in accordance with the current versions of the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE);
  - (d) Any engagement to be performed in accordance with the Public Company Accounting Oversight Board Auditing Standards; and
  - (e) Any examination, review, or agreed-upon procedures engagement to be performed in accordance with the SSAE, other than an examination described in paragraph (c) of this subsection;
- (2) "Board" means the State Board of Accountancy;
- (3) "Firm" means a sole proprietorship, partnership, professional service corporation, or any other form of business organization that is authorized to operate under the laws of this Commonwealth, complies with the provisions of this chapter, and is issued a license to practice by the board or is exempt from having to obtain a license pursuant to KRS 325.301;
- (4) "Firm manager" means a licensee of this state or another state designated by a firm to be responsible for the firm complying with the firm registration and firm licensing requirements contained in this chapter and administrative regulations promulgated thereunder;
- (5) "License" means a license as a certified public accountant or a firm issued pursuant to this chapter;
- (6) "Licensee" means a certified public accountant, firm, or public accountant, holding a license to practice issued under this chapter;
- (7) "Peer review" means a practice monitoring process designed to promote quality in attest and compilation services, and protect the public interest. The process shall comply with standards that are equivalent to or more stringent than the current version of the Standards for Performing and Reporting on Peer Reviews issued by the American Institute of Certified Public Accountants (AICPA);
- (8) "Public accountant" means a public accountant issued a license to practice by the Commonwealth of Kentucky under the Public Accounting Act of 1946 as amended;

- (9) (a) "Regulated activities" means the offering to perform or the performance for a client or potential client by a person or firm holding a license issued under this chapter of one (1) or more types of services involving the use of accounting, attest, or compilation services, including the issuance of reports on financial statements, or one (1) or more types of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.
- (b) Notwithstanding paragraph (a) of this subsection, this definition shall not prohibit anyone who is not a certified public accountant from performing accounting and bookkeeping services, as well as the preparation of tax returns or financial statements, for which attestation by the preparer is not required. The board shall promulgate an administrative regulation defining terms, as necessary, that are not included in this chapter;
- (10) "Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information on financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term "report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence;
- (11) "Sponsoring organization" means a board-approved professional society or other organization responsible for facilitating and administering a peer review program that is equivalent to or more stringent than a program as outlined in the American Institute of Certified Public Accountants (AICPA)'s current version of the Standards for Performing and Reporting on Peer Reviews, including provisions that provide guidance for administering peer reviews;
- (12) "State" includes and means any state, territory, or insular possession of the United States, or the District of Columbia; and
- (13) "Substantial equivalency" means a determination by the board or its designee that the education, examination, and experience requirements in the statutes and administrative regulations of another state for the licensing of a certified public accountant are comparable or better than those contained in the Uniform Accountancy Act issued by the American Institute of Certified Public Accountants (AICPA) and National Association of State Boards of Accountancy (NASBA), or that an individual certified public accountant's education, examination, and experience qualifications are comparable or exceed these national standards.

**Effective:** July 14, 2018

**History:** Amended 2018 Ky. Acts ch. 24, sec. 1, effective July 14, 2018. -- Amended 2015 Ky. Acts ch. 107, sec. 1, effective June 24, 2015. -- Amended 2011 Ky. Acts ch. 31, sec. 1, effective June 8, 2011. -- Amended 2008 Ky. Acts ch. 101, sec. 1, effective July 15, 2008. -- Amended 2000 Ky. Acts ch. 99, sec. 1, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 248, sec. 2, effective July 15, 1994. “ Amended 1992 Ky. Acts ch. 18, sec. 2, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 285, sec. 1, effective July 13, 1990. -- Amended 1984 Ky. Acts ch. 117, sec. 1, effective July 13, 1984. -- Amended 1968 Ky. Acts ch. 143, sec. 1. -- Created 1946 Ky. Acts ch. 210, sec. 21.

**Legislative Research Commission Note:** (6/24/2015) Under the authority of KRS 7.136(1), the Reviser of Statutes has changed the internal numbering of this statute to place definitions in alphabetical order. No words were changed in this process.